

**Marc S. Cooperman
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July 27, 2000

Floyd B. Chapman
Baker Botts L.L.P.
1299 Pennsylvania Ave, NW
Washington, DC 20004-2400

VIA FAX, U.S. MAIL

Dear Mr. Chapman,

I have received your letter and materials dated July 24, 2000, regarding U.S. Patent Application No. 09/545,589, titled "Method and System for Digital Watermarking". Thank you for forwarding this to my attention.

After a cursory review of the materials, I must inform you that there appears to be some confusion in the documentation regarding exactly which matter these materials are to be applied, and proper information in the documents.

While your cover letter, the "Declaration" and "Assignment", reference the application and title mentioned above, the "Verified Statement...Claiming Small Entity Status..." lists (in addition to the above mentioned application number and title) an invention entitled, "Z-Transform Implementation of Digital Watermarks".

In addition, the copy of the application you enclosed is titled, "Exchange Mechanisms For Digital Information Packages with Bandwidth Securitization, Multichannel Digital Watermarks, and Key Management". It is entirely unclear which application(s) are at issue.

Finally, these forms indicate an address ("last known") as 2929 Ramona... As the principal of Wistaria Trading has been aware for some time, and as you obviously are aware, the California address has not been valid for years. Why would you send the package to New York, if you thought I was in California? That is a rhetorical question. In any case, I have long since abandoned any hope of fathoming the arcane, and no doubt, thoroughly logical thought patterns of attorneys regarding the most efficient execution of matters in their clients' interests. I might add that if you know my correct address, but solicit my signature on a document which lists information you know to be false, then under 18 USC 1001, "you may jeopardize the validity of the application or any patent issuing thereon."

The only address information that you should consider relevant, if you wish an expedited response to any inquires, is the information disclosed on the letterhead above.

Until these errors and inconsistencies in the documentation are corrected, I cannot, in good faith and conscience, execute any of these legal instruments.

I suggest that in the future, you pay more attention to detail. While it is of minor inconvenience to me, I am sure your client(s) would not be impressed with the redundant correspondence, and the possibility of having an application voided by a simple mistake.

If you have any questions, please contact me.

Cordially,

A handwritten signature in black ink, appearing to read "Marc S. Cooperman", followed by a long horizontal flourish line.

Marc S. Cooperman

cc: Mark J. Ingber